

U.S. COURTS

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The Honorable Terry L. Myers
Chapter 11
Hearing Date: May 27, 2003
Hearing Time: 9:00 a.m. PDT
10:00 a.m. MDT

8 UNITED STATES BANKRUPTCY COURT FOR THE
9 DISTRICT OF IDAHO

10 In re:

11 FRANK L. CHAPIN and
12 SYDNEY L. GUTIERREZ-CHAPIN,
13 Debtors.

NO. 02-20218

DECLARATION OF FRANK L. CHAPIN IN
SUPPORT OF MOTION FOR APPROVAL OF
SETTLEMENT

14
15 I, Frank L. Chapin, under the penalty of perjury under the laws of the State of Idaho,
16 declare as follows:

- 17 1. I am one of the Debtors in the above-referenced Chapter 11 bankruptcy case.
18 2. My wife and I filed for Chapter 11 bankruptcy protection on February 22, 2002.
19 3. As set forth in the Disclosure Statement approved by the Court in this proceeding, I
20 was the co-personal representative with Frederick A. Leaf in the Estate of Christina Leaf. Robert
21 Kovacevich was the attorney for the Estate. As further set forth in the Recitals of the Settlement
22 Agreement, a judgment was obtained against Leaf, but prosecution of a judgment against me was
23 stayed by these Chapter 11 proceedings.

DECLARATION OF FRANK L. CHAPIN - 1

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4. The Heirs of the Estate of Christina Leaf and Frederick A. Leaf have not only filed claims in this proceeding, but have also filed nondischarge proceedings. I have filed claims against Robert Kovacevich in the event I am found liable on these claims.

5. I have fully read and reviewed the Settlement Agreement, which is attached to the Motion for Approval of the Settlement, I agree that all recitals therein are factually true and correct, and I believe the settlement is in the best interests of this bankruptcy estate.

6. I have been advised by my counsel and I do believe that the amount being paid by Robert Kovacevich in the sum of \$250,000 represents the best available settlement under the circumstances. It is my understanding that further litigation against Mr. Kovacevich will only create any remaining available errors and omissions insurance. There is \$150,000 worth of benefits still remaining and this amount will be reduced substantially if there is continuing litigation.

I declare under penalty of perjury under the laws of the State of Idaho that the foregoing is true and correct.

DATED this ____ day of May, 2003 at Coeur d'Alene, Idaho.

(Signature Pending as of 5/16/03)
Frank L. Chapin